



2320 N DuPont Highway New Castle, DE 19720-6327

December 14, 2010

Ms. Jennifer J. Johnson, Secretary

Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Sent Via Email to: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z and the  
Truth-in-Lending Act  
Docket No. R-1390

Dear Ms. Johnson:

I am writing you on behalf of Delaware Alliance Federal Credit Union with 5870 members. We are a \$20 million credit union located in New Castle Delaware.

Our credit union primarily and most actively serves low wage and minority members. We serve the financial needs of our members with experienced staff and tools, including optional credit insurance. Our staff, and the products and services we offer, work in concert to keep our members from financial failure. One missed payment may cause financial failure, and one trip to the hospital can bring that on.

Although we do support appropriate disclosure of the cost of insurance, the proposed language casts this insurance in a negative light. The benefits of the insurance will be over shadowed by the misrepresentation of the cost though the APR calculation.

We have a member that was an EMT employee, she was responding to an accident when she was injured on the job. Although she did receive a disability payment from her employer it was not enough to keep up her car payments. Fortunately she had credit disability insurance that paid her loan in full and enabled her to keep the car. She is forever grateful for the decision to purchase that insurance.

This story had a happy ending, but many of our members do not have adequate insurance and may not be qualified to purchase adequate or even marginal insurance coverage. These changes could discourage them from making a responsible financial decision to purchase coverage putting them at risk of financial failure and becoming a credit risk for us.

Delaware Alliance urges the Federal Reserve to take these concerns under advisement as you consider this new disclosure.

Sincerely,

Dawn Sutcliffe  
President and CEO  
Delaware Alliance Federal Credit Union  
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302-429-1807